



**This is how we connect you
to Africa to realise your vision**

Contents

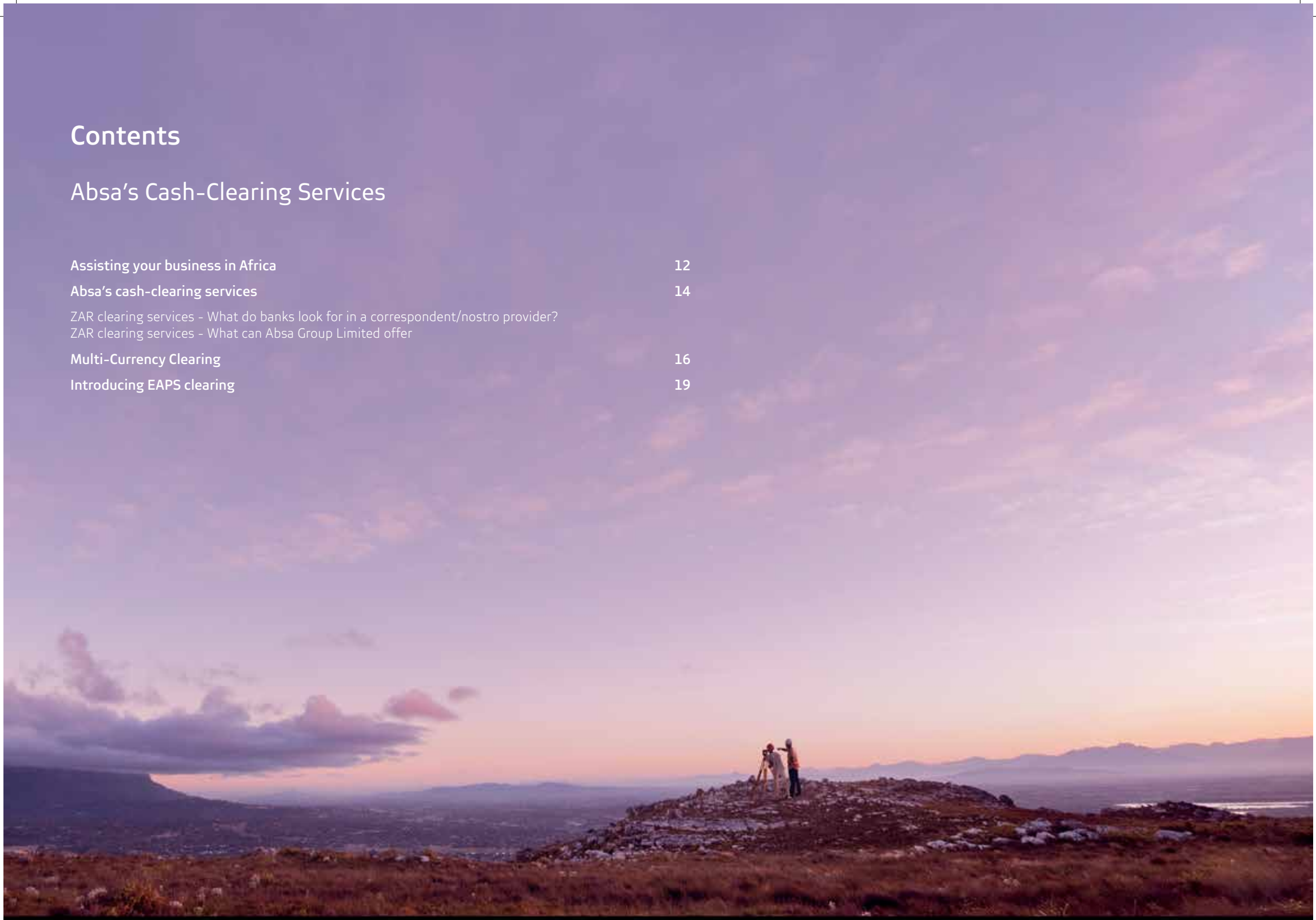
This is how we connect you
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Vanilla African Trade Services – global corporate-originated	04
Network LCs	
Absa Group Limited African Trade Hub risk and funding solution	
African-originated international trade completion	
Network guarantees	
Absa Group Limited trade portfolio refinancing	08
Cross-sell cash-clearing mandates, debt, FX and trade club primary and trade syndication	09

Contents

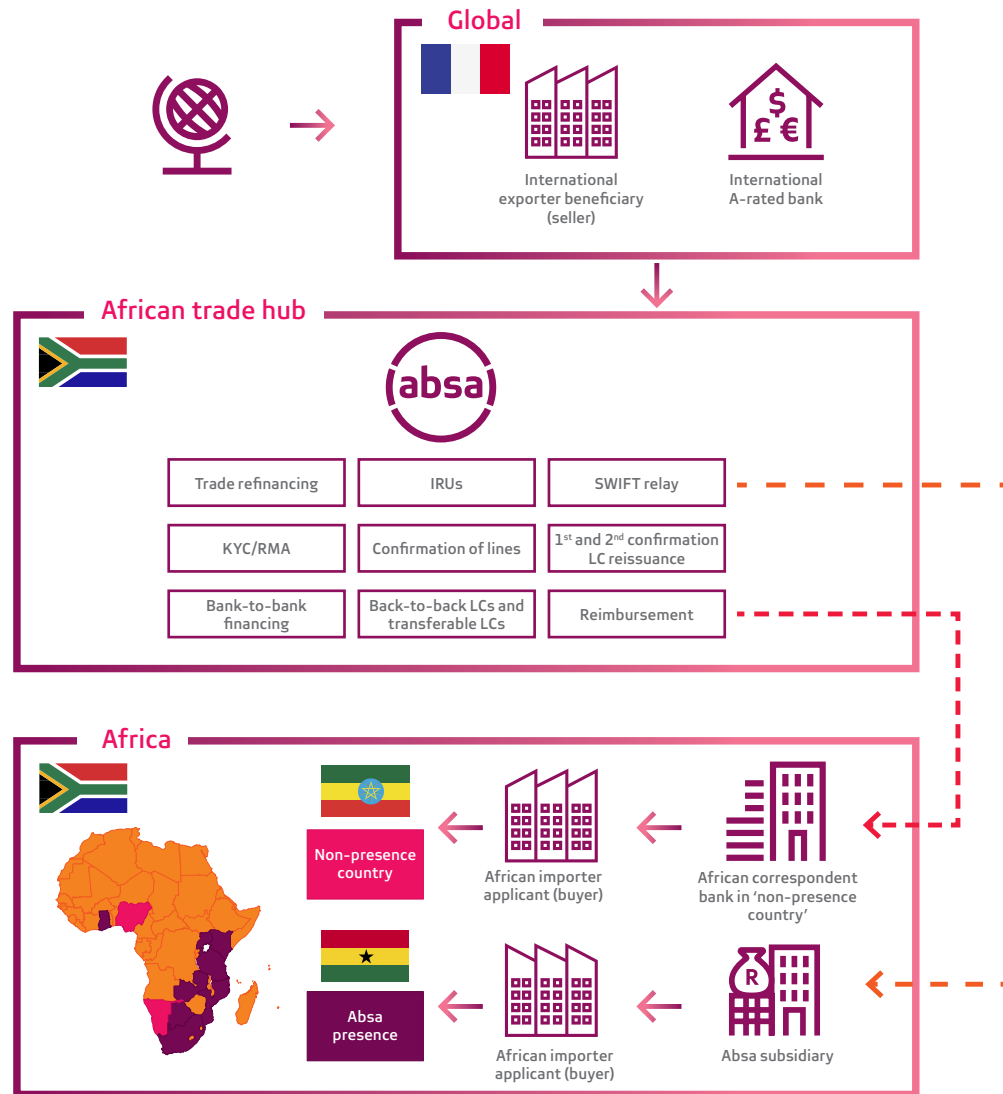
Absa's Cash-Clearing Services

Assisting your business in Africa	12
Absa's cash-clearing services	14
ZAR clearing services - What do banks look for in a correspondent/nostro provider?	
ZAR clearing services - What can Absa Group Limited offer	
Multi-Currency Clearing	16
Introducing EAPS clearing	19



Vanilla African Trade Services – Network LCs

Programme overview: Through Absa Group Limited International Trade Hub, we're offering a single point of contact to manage all transaction coordination for your corporate clients' trade flows into and out of Africa, and act as the conduit between you and African banks by advising LCs and honouring reimbursement claims.

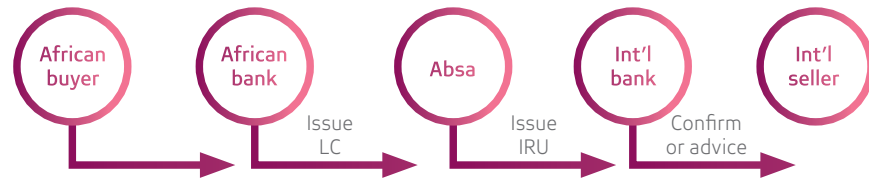


Features and benefits

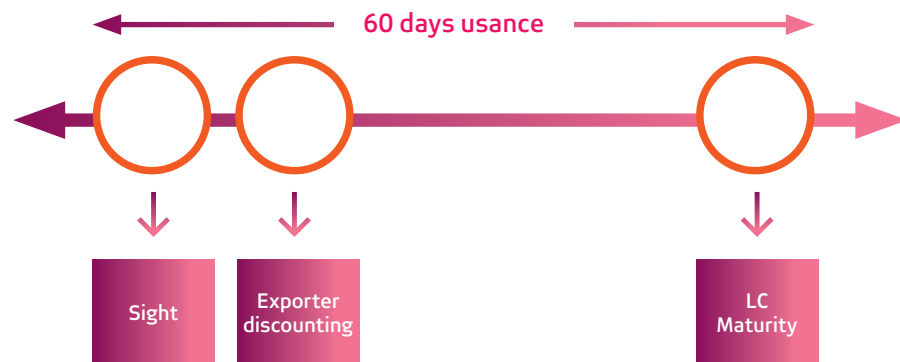
- Network**
 - Gives you and your clients access to Absa's Africa network of subsidiaries and African correspondent partners using a single SWIFT address, ABSAZAJJ RMA, KYC and credit line
- Liaison**
 - Your Trade Hub contact will interact with Absa's local Africa and all African correspondents' issuing offices on your behalf
- Reduced risk**
 - Benefit from Absa South Africa's improved credit rating and governance
- Ease and facilitation**
 - Streamlined end-to-end process: Sales, structuring, pricing, execution, operations – enhanced visibility and centralised control of the transaction
- Pricing African trade risk**
 - Through pricing intra-group risk and Absa's African expertise, the Trade Hub is able to structure the most efficient pricing for all clients
- Bidirectional**
 - HUB facilitation of African imports and exports
- Corporate value proposition**
 - Extinguish international sellers' African payment risk, and pay 100% of contract value at sight
 - Extend African buyers' payment terms beyond cash conversion cycle

Absa Group Limited Trade Hub risk and funding solution

Traditional flow



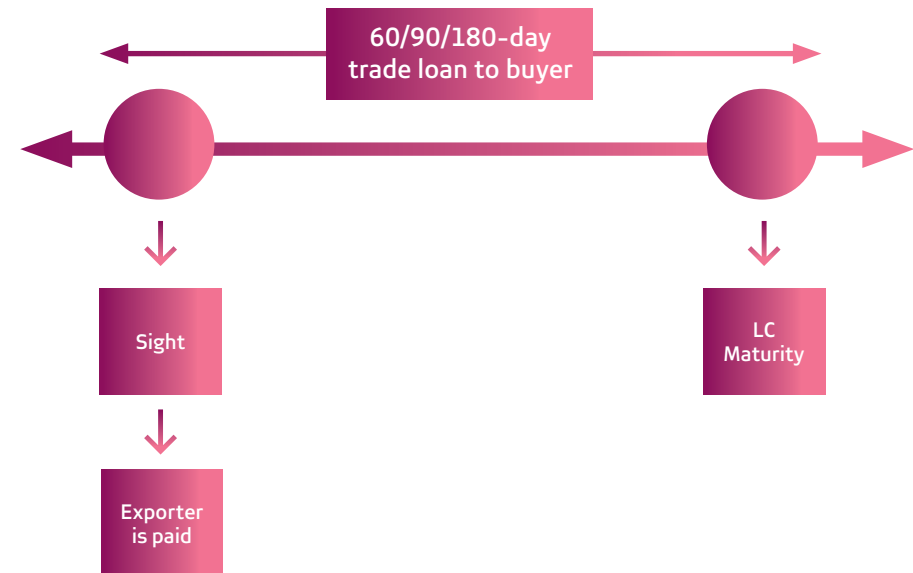
- The African bank issues a 60-day usance LC; fees are for the applicant's account
- Exporter (beneficiary) pays discounting fees to reduce the Days Sales Outstanding (DSO) to zero
- Importing applicant has the 60-day usance period Days Payables Outstanding (DPO) to sell the goods and pay
- Exporter (beneficiary) or international bank adopts 60 days of African bank payment risk



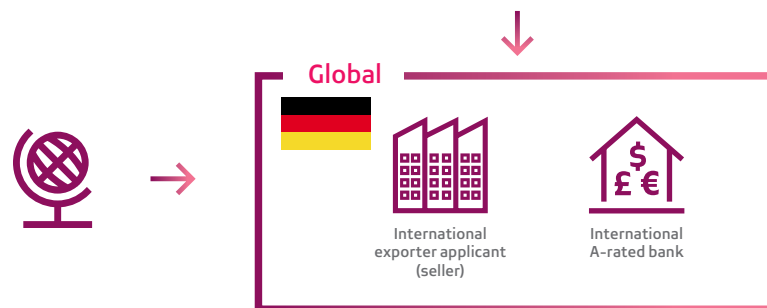
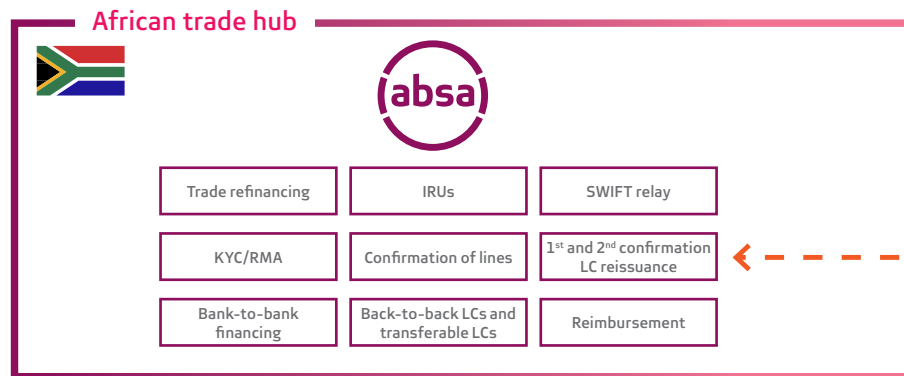
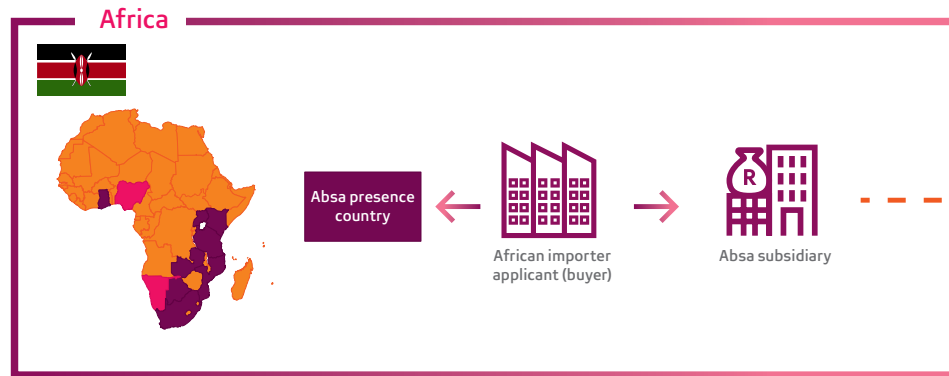
African HUB solution

Convert to UPAS LC or a sight LC, with 60/90 days' bank-to-bank post-LC finance

- This creates better economics for exporter, who is paid at sight, to achieve:
 - Immediate payment on exporter's performance
 - No discounting charges
 - No 'African' payment risk after performance
- African buyer achieves:
 - 90 days' payment terms
 - Contingent trade payable on balance sheet rather than debt
- International bank achieves:
 - Zero African bank risk (which Absa assumes), with option to fund Absa's provision of hard currency
 - Access to African corporate trade flow
- Issuing African bank receives a well-priced funding solution for their corporate client, because managing African risk is part of Absa's core competencies



African-originated international trade completion

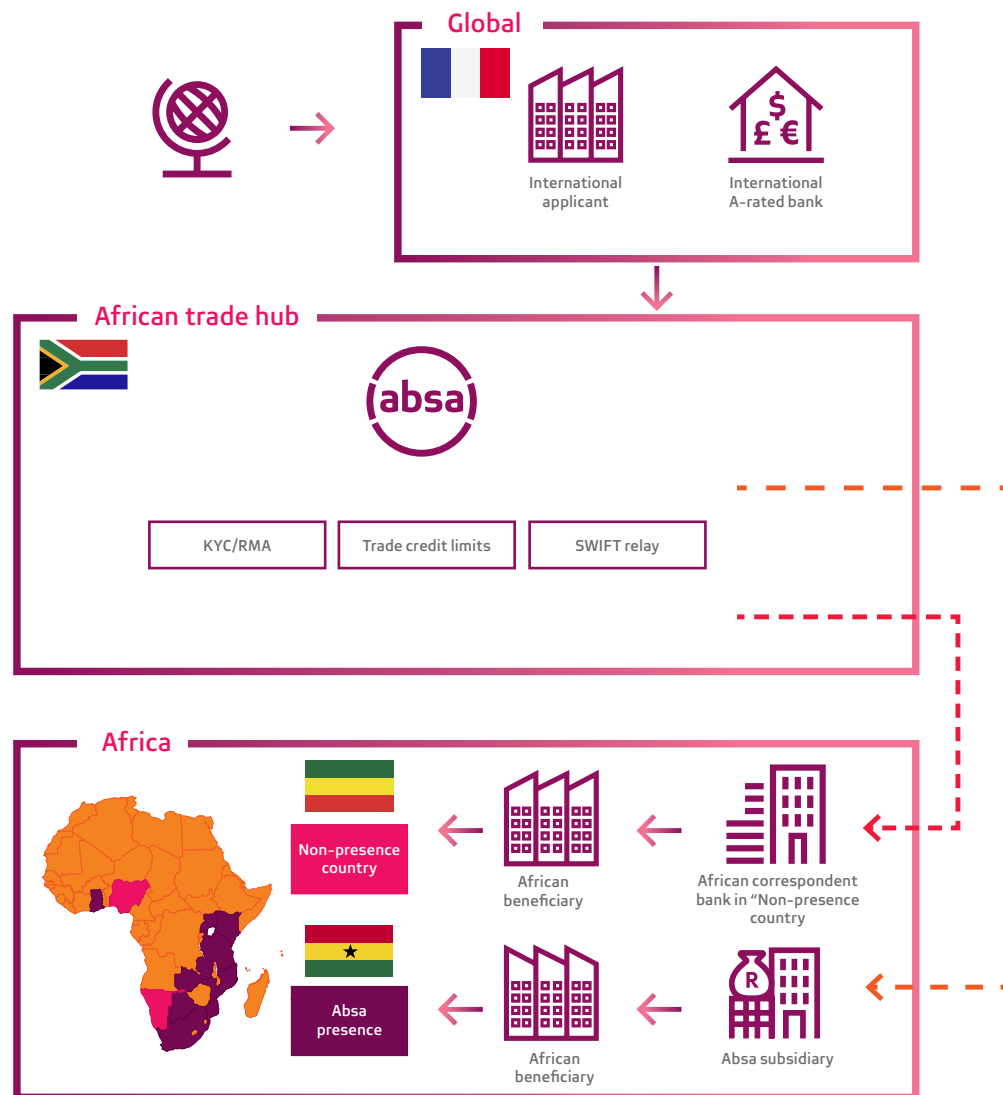


Programme overview: Through Absa Group’s Limited network of subsidiaries, our African correspondent partner banks, and multilateral agency programmes, we offer the opportunity to participate in African-originated trade flows, particularly when international exporters, on the supply side of our African subsidiaries’ import structures, require an A-rated international bank’s confirmation for LCs.

Features and benefits

- Trade flows** • Participate in trade flows that you otherwise would not have been exposed to – a form of reverse origination and value-add for your key international corporate clients
- Specific corridor flows** • Option to participate in specific corridor flows matching your appetite
- Trade Hub trade financing** • Potential to supply the hard currency to Absa to finance the new underlying trade flows

Vanilla African Trade Services – network guarantees



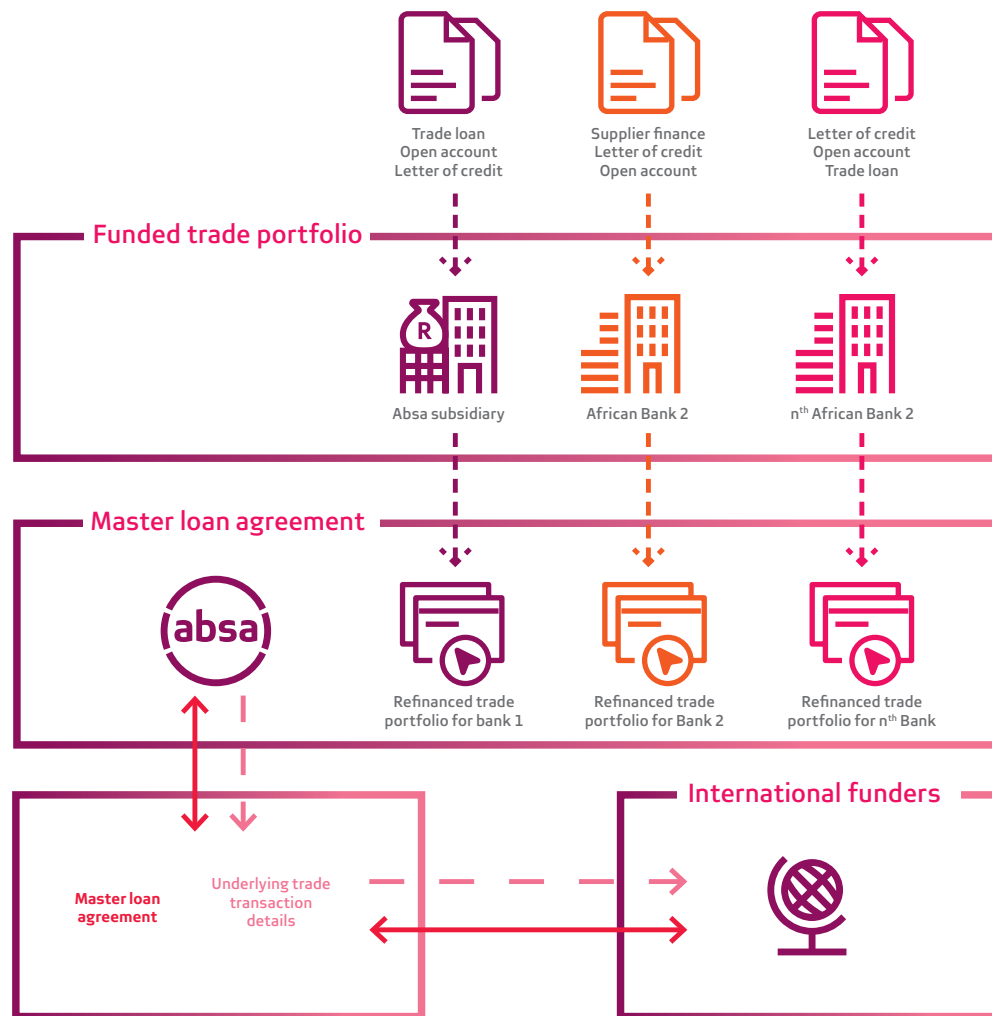
Programme overview: Network guarantees give you access to Absa Group's Corporate Banking network through a single hub, providing an end-to-end, seamless guarantee-issuance service.

Features and benefits

- Contingent guarantee credit lines**
 - African banks taking risk on Absa/international banks
- Pricing**
 - Consistent and appropriate global risk pricing standards
- Routing**
 - Relaying of SWIFT messages in both directions through a single hub, irrespective of African issuing bank RMA/KYC status
- Presence countries**
 - South Africa, Kenya, Mauritius, Ghana, Tanzania, Botswana, Zambia, Uganda, Mozambique, Seychelles
- African lead-generation**
 - Absa Group's presence on the ground can be used as a source of lead-generation for your corporate clients
- Non-presence countries**
 - Best efforts and pricing through our correspondent network and relationships
- IFC**
 - Absa can facilitate African IFC GTFP structures in African transactions that require them

Absa Group Limited trade portfolio refinancing


Programme overview: Absa invites international bank partners to refinance Absa's African trade portfolio of refinanced trade portfolios to generate 'well-priced', tenor-matched, hard currency liquidity to originate and finance more well-priced RoA trade facilities: Trade portfolio.



Features and benefits

This opportunity is particularly aimed at international banks that want to:

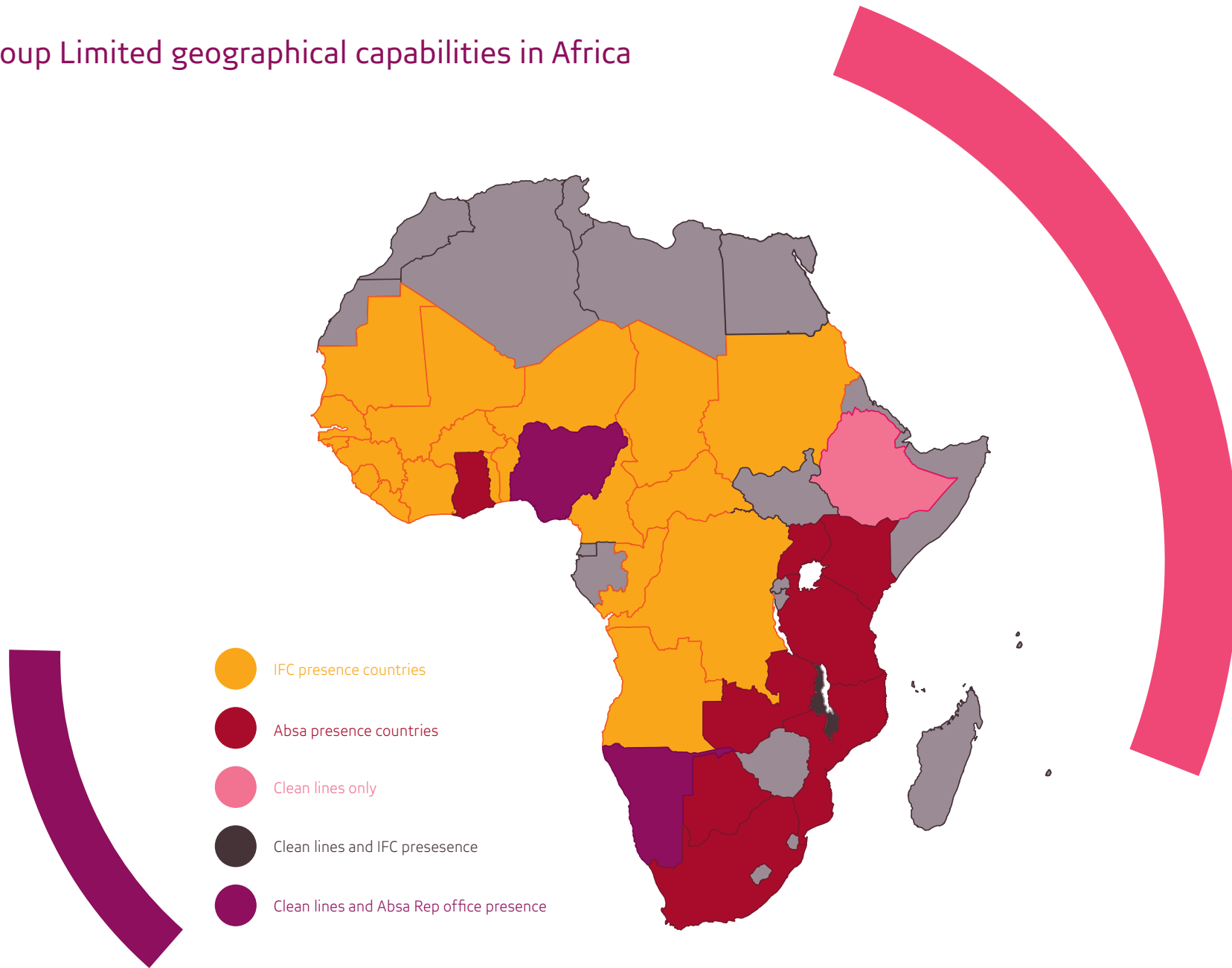
- Utilise deep pools of low-cost, short-term, hard currency liquidity
- Access African trade investment opportunities without exposure to African corporate risk, and bank relationships and risk
- Invest dollars in African short-term, self-liquidating trade assets, aggregating these flows through Absa risk
- Potentially, capture specific corridor flows
- Foster a new correspondent relationship with acceptable African bank risk, as an African trade aggregator, which was precluded with the former parental relationship
- Trade RWA pricing: underlying trade transaction details are provided to evidence as 'trade-related' funding
- Revolving – 90-day, 6-month, one-year rolling facilities
- BAFT master loan agreement – reducing operational friction
- Bucketing of short-term deals into 90-day portfolio using over-collateralisation to ensure always refinancing underlying trade



Cross-sell cash-clearing mandates, debt, FX and trade club primary and trade syndication

- As Absa Group Limited begins a new chapter as an independent African regional bank, now that we've divested from our global parent, we're looking to partner with the right international correspondent banks in new products and flows.
- The purpose of this offering is to grant our international correspondent partners access to Absa subsidiaries and African trade via Absa's 'Trade Hub', offering the operationally simplest, most cost-effective and most attractive risk transmission.
- This offering should be viewed across the entire new relationship, with cross-sell from other Cash, Markets and Trade 1° and 2° products and priced from a total client returns perspective.
- In this future relationship we should be able to utilise your trade limits on Absa much more effectively on considerable funded and unfunded risk appetite on the entire Absa Group.

Absa Group Limited geographical capabilities in Africa



An aerial night view of a city skyline, likely Lagos, Nigeria, featuring numerous illuminated high-rise buildings and a harbor with lights reflecting on the water under a twilight sky.

Absa's Cash-Clearing Services.

Assisting your business in Africa

Assisting your business in Africa

Absa Group Limited services 14.5 million retail and corporate clients across Africa. The 42 000 'on the ground' employees work for a top-five bank in each of the presence countries, which includes the largest retail bank in South Africa, Absa with over 100 years of history on the continent, we welcome the opportunity to support your cash-clearing needs as the African continent continues to develop.

Absa's pan-African clearing proposition

Absa's clearing service is at the heart of our offering to our extensive correspondent banking client network. Absa Group takes part in all domestic payments streams, is represented at all relevant industry bodies and adheres to local as well as international regulatory requirements with regard to sanctions, anti-money laundering and combating the financing of terrorism.

Cash clearing on the ground in South Africa: ZAR Clearing and SIRESS

The regional RTGS, namely SIRESS, allows Absa to provide ZAR clearing services across the Southern African Development Community.

Multi-Currency Clearing (MCC)

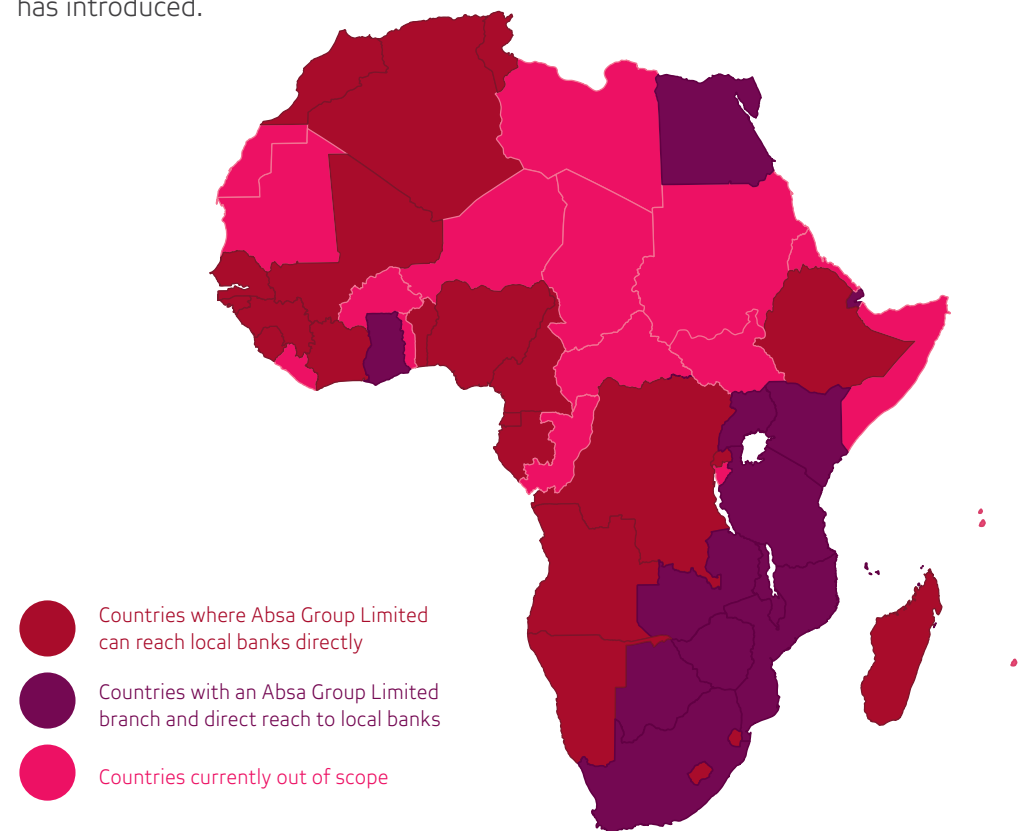
Absa's MCC solution offers financial institution clients the ability to clear multiple African currencies from a single hub located in Johannesburg.

Onshore cash clearing in 'exotic' African currencies

Absa is able to provide comprehensive, well-supported onshore clearing solutions in most of the widely used African currencies wherever we maintain a local presence.

Clearing hub in East Africa: EAPS clearing

Clearing KES, TZS, UGX, RWF and BIF from a single hub, 'onshore' is now possible as a result of the regional EAPS RTGS that the East African Community has introduced.





ZAR clearing services

What do banks look for in a correspondent/nostro provider?

Efficient and transparent execution of their clients' ZAR payments

1 The primary requirement for a bank is the ability to enable their retail and corporate clients to pay beneficiaries in South Africa.

Trusted advisors through service excellence

2 The most commonly quoted driver for overall satisfaction is client service quality. Becoming a trusted adviser is paramount to creating lasting client relationships.

Innovation and guidance in achieving improved STP

3 Banks choose to partner with providers who can guide them in achieving STP in order to avoid unnecessary delays, as well as to avoid incurring costly repair charges.

Bespoke charging capabilities that meet client-specific needs

4 Given the significant costs associated with international payments, preference is given to partners with sophisticated and flexible charging structures.

Solution to wider Africa requirements

7 Given the global trend towards rationalisation of relationships, there is an increasing demand for solutions that fulfil banks' greater Africa requirements.

Innovation and guidance in navigating local ExCon reqs.

6 The ability to provide a seamless experience that navigates the complexity of local regulations and reduces delays in processing.

Comprehensive balance and transaction reporting

5 The immediacy of detailed information is a key demand in order to enable effective liquidity management and simplified account recon.

ZAR clearing services

What can Absa Group Limited offer

Efficient and transparent execution of their clients' ZAR payments

1 **ZAR payments** into South Africa and the wider SADC region
CLS Services: Direct settlement member
Live with GPI

Trusted advisors through service excellence

2 **Query Management Tool:** Query tracking, auto responses, etc.
Dedicated client service exec – single point of contact for all queries

Innovation and guidance in achieving improved STP

3 **Auto repair** and payment enrichments (incl. F57A)
SSIs captured for recurring payments
Intraday credit facilities

Bespoke charging capabilities that meet client-specific needs

4 **Guaranteed OUR Service**
Choice of flat fee/ad val per charge code
Code word pricing
Support use of Field 71G
Monthly billing available

Solution to wider Africa requirements

7 **African currency clearing:** Local currency clearing in Absa Group presence countries
Multi-Currency Clearing: A one-stop shop for all payments into Africa

Innovation and guidance in navigating local ExCon reqs.

6 **Smart forms:** Enables beneficiary to capture BoP info which feeds directly into system
Excon advisory services: Dedicated team to assist clients with applying for doc dispensation

Comprehensive balance and transaction reporting

5 **Online viewing** of account balances in real time
Comprehensive SWIFT reporting capabilities (MT900/910/940/942)

Multi-Currency Clearing

Providing banks with clearing capabilities in African currencies from a single hub in Johannesburg

Africa is in the midst of a transformative change, with the continent experiencing increased integration into the global economy. As a result, banks have noted an increase in demand from their corporate and individual clients to support their African currency requirements.

However, with the high costs associated with regular KYC monitoring and the maintenance of multiple nostro relationships, banks globally are looking to rationalise the number of relationships they hold – this holds especially true for currencies with low payment volumes in perceived high-risk markets.

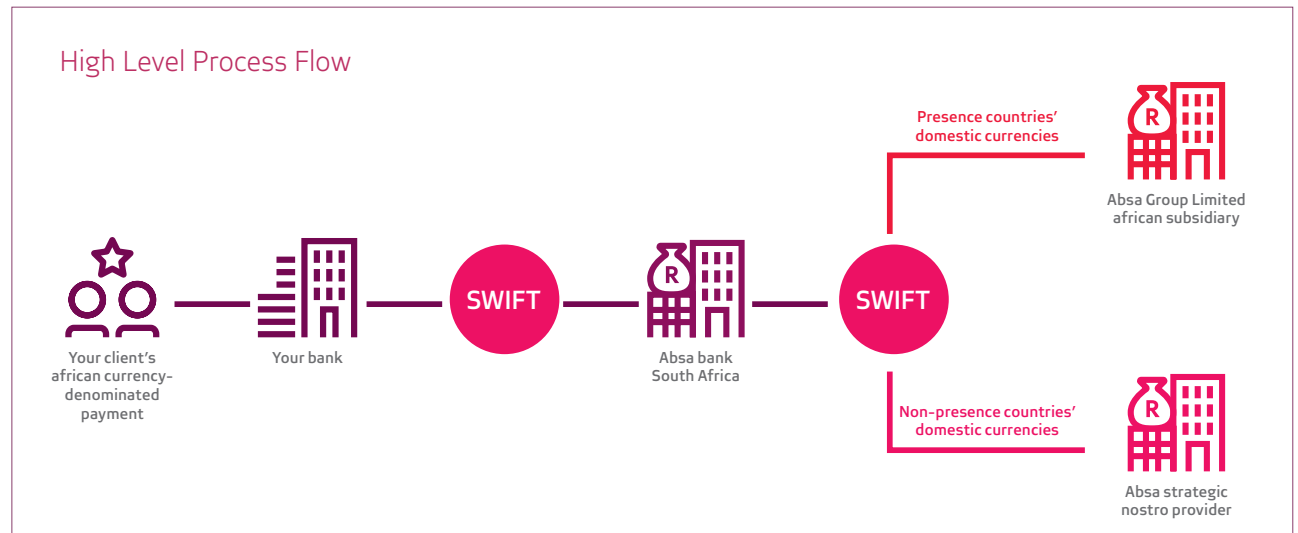
Multi-Currency Clearing (MCC)

Absa's MCC solution offers financial Institution clients the ability to clear multiple African currencies from a single hub located in Johannesburg, South Africa.

Through our extensive presence in Africa, and our strategic partnerships with local banks in non-presence countries, we are well-placed to provide a simple, convenient, highly competitive solution for your African currency payments.

Who is our target market?

Banks that require African currency nostro providers, yet do not have the volumes or risk appetite for individual 'onshore' accounts in each country.



Benefits

- Reduction in KYC costs and the consolidation of multiple nostro relationships
- Ability to support additional currencies for your clients
- Centralised servicing and processing, with dedicated relationship support
- Minimized FX exposure to African currencies
- Efficient payment processing
- Partnering with a pan-African bank with extensive knowledge and experience on the African continent

Key features

- Competitive cut-off times when compared to other offshore providers
- Transparent fee structures
- Preferential foreign exchange rates
- Automated payment processing, with high levels of STP
- Transaction and accounting reporting
- Online access to your account

Multi-Currency Clearing

Providing banks with clearing capabilities in African currencies from a single hub in Johannesburg

Flexible Account Structures to suit your requirements

Absa offers clients the option to either operate individual Nostro accounts in each currency required, or through a single based currency account.

Single-account option

Clients can utilize a base currency account (e.g. South African Rand) held with Absa to avoid the need to operate 'uneconomical accounts' due to minimal payment activity in these currencies. Payment instructions in any of the supported currencies can be sent to us; we will perform the FX conversion for you, debiting your account with us.

Multiple-account option

For clients with larger transactional volumes, we also offer the ability to open individual African currency accounts as required. All accounts, regardless of currency, will be held on the books of Absa South Africa.

Simplified account opening

We offer clients a simple, harmonised approach to account opening, with documentary requirements clearly defined and implementation support readily available.

Our implementation approach has been streamlined to ensure:

- Reduced time spend in account opening
- A service that is simple to set up and maintain across multiple currencies, i.e. a single set of documentation is required for each account opened

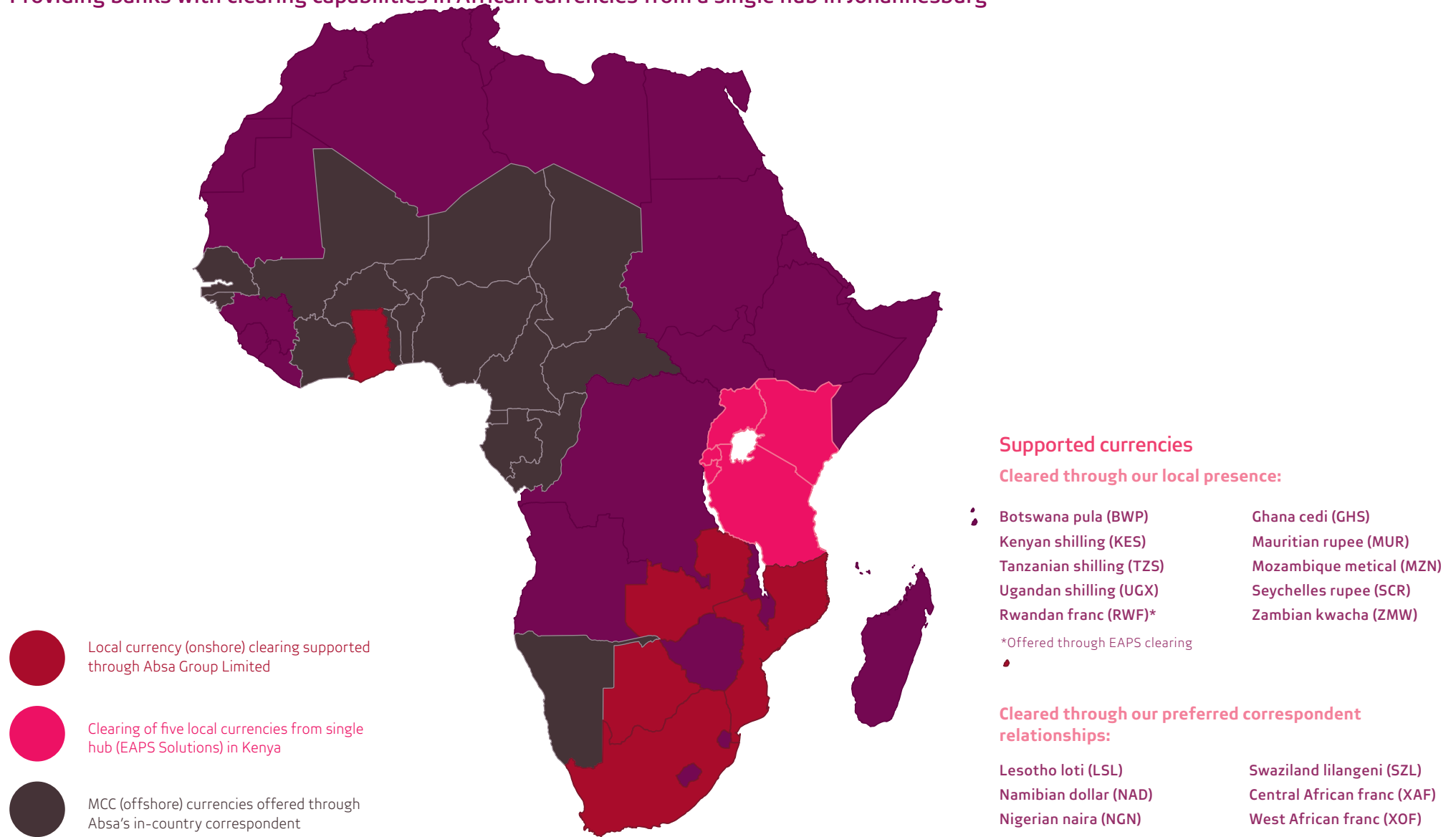
Managing the relationship

Our primary focus is to become trusted advisers to our clients through long-term business relationships. We have adopted a centralised approach to support our clients, providing you with a single point of contact for all your payment and relationship needs.

Please contact your Relationship Executive should you have any questions or like to receive additional information on our product offering.

Multi-Currency Clearing

Providing banks with clearing capabilities in African currencies from a single hub in Johannesburg



Introducing EAPS clearing

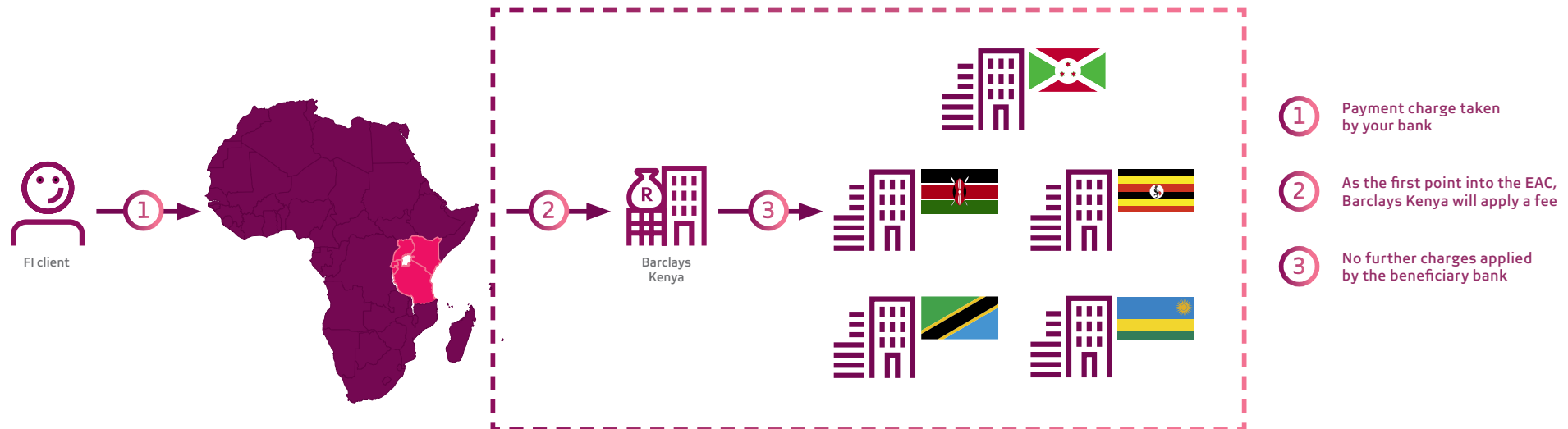
KES, TZS, UGX, RWF and BIF clearing from a single hub 'onshore'

Our EAPS clearing offers:

- 'Onshore clearing' of five currencies from a single hub based in Kenya
- Cut-off times equal to that offered by a local provider, i.e. TZS from Tanzania or UGX from Uganda
- Charging that leverages the first bank market practice across the region
- Full reachability – 100% reach in the region from day one

This means banks benefit from:

- Cost savings (one counterparty instead of five)
- Operational efficiencies and an enhanced product offering for your end-customers
- Option to operate individual accounts per currency, or a single account in a preferred base currency
- Better service due to consolidated investments



Value-added services:

- A single point of contact for all payment queries and operational support requirements
- Comprehensive payment capacity supported by a strong liquidity base in the region
- Comprehensive balance and transaction reporting to assist in performing reconciliations and managing liquidity positions
- Providing you with reach, support, local knowledge and expertise to effectively manage treasury requirements

absa.co.za/cib

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